



U.S. Immigration  
and Customs  
Enforcement

# News Release

May 23, 2005

## **ICE CAMPAIGN AGAINST ILLEGAL MONEY TRANSMITTERS & UNDERGROUND “HAWALAS” YIELDS 140 ARRESTS & 138 INDICTMENTS NATIONWIDE**

WASHINGTON, D.C. – Michael J. Garcia, Department of Homeland Security Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE), today announced that a nationwide campaign by ICE agents against unlicensed money transmittal businesses and underground “hawalas” has resulted in the arrest of 140 individuals, 138 criminal indictments, and the seizure of more than \$25.5 million in illicit proceeds since the enactment of the USA Patriot Act, which requires such businesses to be licensed and registered.

“Over the past two weeks, ICE has shut down a number of unlicensed money transmittal businesses that were responsible for the transfer of millions of dollars to Afghanistan, Pakistan, and Iran,” said Assistant Secretary Garcia. “ICE targets these illegal operations because we know that terrorist and other criminal organizations can use these underground businesses to move illicit funds anywhere in the world with no questions asked.”

In recent days, ICE has won guilty pleas from two defendants and arrested another on charges of operating unlicensed money transmittal businesses.

- On Friday, May 20, Rahim Bariak, 46, a naturalized U.S. citizen from Afghanistan and resident of Herndon, Virginia, pleaded guilty in Alexandria to operating an unlicensed money transmittal business that wired millions of dollars to Iran, Pakistan, and areas in Afghanistan under the control of the Taliban between 2001 and 2003. On November 14, 2001, roughly two months after the 9/11 attacks, Bariak testified before the U.S. Senate about how important it was for “hawaladars” like himself to abide by federal laws governing such businesses. Those who skirt the rules “give all hawala a bad name,” he testified. A subsequent ICE probe revealed that Bariak was operating an illegal money transmittal firm in Virginia that illegally wired \$4.9 million to Iran, Pakistan, and Afghanistan. Bariak faces a maximum five-year sentence when sentenced on July 29, 2005.
- On Friday, May 20, Noor Alocozy, 41, a native of Afghanistan native living in San Francisco, pleaded guilty to federal charges of operating an unlicensed money transmittal business that funneled nearly \$1 million to Afghanistan, Pakistan, and elsewhere. The investigation by ICE, the FBI, DEA, and IRS revealed that Alocozy’s business had been utilized by Jack Idema, the former Green Beret-turned bounty hunter who is currently imprisoned in Afghanistan for allegedly torturing Afghan civilians. During the investigation, Alocozy provided ICE investigators with copies of business ledgers indicating that Idema used Alocozy’s business to send funds from the U.S. to Afghanistan, presumably in support of his quest to capture Osama bin Laden and collect the \$50 million reward. Alocozy is scheduled to be sentenced on August 26, 2005.
- On May 13, 2005, Eltaib Yousif, 41, a resident of Castro Valley, California, made his initial court appearance in federal court in San Francisco after being arrested by ICE agents on charges of operating an unlicensed money transmitting business. According to the indictment, Yousif illegally

moved more than \$1.5 million outside the country between September 2001 and November 2003. The investigation began after San Francisco ICE agents received a tip from ICE agents in New York about suspicious deposits being made into accounts at Citibank branches there and in the Bay Area.

These enforcement actions result from an ICE investigative strategy that targets the underlying financial systems that terrorist and other criminal organizations may exploit in raising, moving, and storing illicit funds. ICE seeks to deny criminal organizations access to these systems. One system that has repeatedly proven vulnerable to such exploitation involves money transmittal businesses and related hawalas.

For decades, ICE agents have seen criminal organizations use money transmittal businesses to move their illicit proceeds overseas. In 1996, for example, ICE agents executed search warrants on three locations affiliated with Tele-Austin, a small money transfer firm in Queens, New York. Evidence gleaned from these searches helped ICE identify and ultimately arrest the chief New York representative of Colombia's Norte Valle drug cartel, who had moved \$70 million in drug funds to Colombia through these money transfer firms. Subsequent ICE investigation resulted in the indictment in New York last year of the leaders of the Norte Valle cartel, which is believed to be responsible for 50 percent of the cocaine supplied to the United States.

The USA Patriot Act of 2001 enhanced ICE's ability to combat the international movement of illicit funds through money transmittal businesses by amending the 18 USC 1960 statute. As a result of this law, money transmittal businesses in the United States are required to be registered with the U.S. Treasury Department and to be licensed by the appropriate state authorities.

Since the enactment of the Patriot Act, ICE agents have aggressively targeted unlicensed money transmittal businesses and underground hawalas nationwide, given the vulnerabilities they pose. Some of these cases include the following:

- *Man Jailed in Connection with Illegal Money Transfer Firm that Moved \$100 Million to Pakistan* – On April 4, 2005, Farooq Malik, a citizen of Pakistan, was sentenced to 43 months incarceration and three years supervised release following his conviction for operating an illegal money transmittal business and aiding and abetting. The sentence resulted from a 21-month investigation by ICE and IRS agents into illegal money transmitting businesses in New York and New Jersey that began in 2002. Malik, a resident of Astoria, NY, was one of six individuals arrested in June 2003 who were linked to a criminal scheme that routed more than \$100 million to Pakistan through an unlicensed money transmitting business known as Access, Inc. of USA, located in Iselin, N.J. Malik operated an illegal money transfer business called Link to Link, Inc. in Long Island, NY, that transferred funds to Access, for subsequent transfer to Pakistan. Several other defendants in the case have pleaded guilty.
- *ICE Dismantles Illinois Illegal Funds Transfer Firm That Moved Funds to Iran* – On March 22, 2005, ICE agents arrested Hossein Esfahani, in Lincolnwood, Illinois, on charges of operating an illegal money transmittal business and transferring funds to Iran in violation of the U.S. embargo on Iran. The criminal complaint alleges that Esfahani moved more than \$3.75 million to domestic and international locations from his unlicensed money service business in Illinois from 1999 through 2003. The majority of Esfahani's illegal money transmittals were directed to money exchanges in Dubai, United Arab Emirates. Those Dubai money exchanges, in turn, converted the wired funds into Iranian currency and then directed the funds to recipients throughout Iran, according to the complaint. During the enforcement action, Esfahani resisted arrest and ICE agents found a loaded .22 caliber pistol in his house that he was not licensed to possess.
- *ICE Dismantles Virginia Illegal Funds Transfer Firm That Moved \$23 Million to Syria* – On March 15, 2005, ICE agents arrested Louay Habbal, 45, a naturalized U.S. citizen from Syria, for operating an unlicensed money transmittal business located at his Vienna, Virginia, residence. Habbal was arrested upon his arrival at Dulles International Airport in the United States on a flight from

Damascus, Syria. The indictment alleges that Habbal operated a business called Mena Exchange that received funds from customers nationwide and deposited these funds in bank accounts in Virginia and elsewhere. After taking a portion of these funds as a fee, Mena Exchange transferred more than \$23 million to Syria and other nations between November 2001 and July 2004. ICE agents seized more than \$100,000 from the company's accounts.

- *Ohio Doctor Charged with Illegally Transferring Funds to Iran* – On November 4, 2004, a federal grand jury in Cleveland, Ohio, issued a 38-count indictment against Mohammad Anvari-Hamedani charging him with money laundering, illegal exports to Iran, and filing false tax returns. The ICE investigation revealed that Anvari-Hamedani illegally transferred more than \$4 million to Iran using bank accounts in the United States, Great Britain, and the United Arab Emirates. In addition, the investigation revealed that funds were also transferred to Iran using a “hawala” scheme using several individuals from various locations in the United States.
- *Russian Émigré Moves \$680 Million Via Illegal Money Service Business* – On May 5, 2004, a federal grand jury in Philadelphia, PA, charged Michael Rakita, a local businessman and Russian émigré, with one count of operating an illegal money transmitting business and four counts of money laundering. The indictment alleges that from Jan. 1994 through Feb. 2002, Rakita operated an unlicensed money transfer business that wire transferred roughly \$680 million to numerous bank/investment accounts in Europe, the Caribbean, and the United States. The indictment further alleges that in 2000, Rakita laundered roughly \$250,000 in funds that he believed to be the proceeds of health care fraud. The case was investigated by ICE, the FBI, and the IRS.
- *Woman Affiliated with Guinea Embassy in Washington, D.C. Charged* – On Nov. 15, 2004, ICE agents arrested Aissatou Pita-Barry, the owner of Guinex International, Inc. a D.C.-based illegal money transfer business that wired at least \$5 million to the Middle East, Asia, and other locations around the globe. ICE agents also seized roughly \$100,000 from the company's bank accounts and \$19,700 in cash. Pita-Barry was in the United States on a Diplomatic Passport that authorized her only to work at the Guinea Embassy. As part of the investigation, ICE agents learned Pita-Barry allowed customers to make direct deposits into Guinex business accounts for transmittal overseas. According to the complaint, Pita-Barry typically charged a 10 percent fee for these services, but would charge less if “big” money was deposited for transfer.
- *FARC Money Launderer Convicted* – In 2003, Libardo Florez-Gomez was convicted of operating an unlicensed money remitting business and sentenced to 18 months incarceration. Florez-Gomez had arrived in Miami on a flight from overseas in October 2002. Upon his arrival, border inspectors discovered that he had failed to declare approximately \$182,000 worth of Eurodollars. Inspectors also found documents that appeared to be from the Colombian government. Those documents and subsequent investigation by ICE determined that Florez-Gomez was a major financier for the Revolutionary Armed Forces of Colombia (FARC), a designated terrorist organization. Florez-Gomez was later charged with operating an unlicensed money transmittal business and convicted.

# ICE #

*U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.*